



State of Arizona Accounting Manual

Topic 25 Long-lived Resources
Section 35 Stewardship

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INTRODUCTION

Stewardship is the responsibility for or the activity of protecting something worth caring for and preserving. By virtue of their cost, all capital assets merit stewardship. However, there are also many long-lived resources, stewardship resources, owned by the State that, although they do not meet a capitalization threshold, represent a material investment by the State and merit a significant level of safekeeping and accounting.

The following are specific minimum requirements pertaining to capital assets and stewardship resources.

POLICY & PROCEDURES

1. Unless otherwise expressly excepted, all of the following are stewardship assets or stewardship resources and are subject to the policies and procedures set forth in SAAM.
 - 1.1. Any tangible or intangible capital asset.
 - 1.2. Any IT resource with a cost of two hundred fifty dollars (\$250) or more.
 - 1.3. Any IT resource, regardless of cost, that holds or has the capacity of holding data.
 - 1.4. Any weapon, whatever its cost or value.
 - 1.5. Any tangible or intangible long-lived resource, not previously covered, with a cost of one thousand dollars (\$1,000) or more.
2. Unless otherwise expressly excepted, all capital assets and all stewardship resources are to be recorded in AFIS.
 - 2.1. IT resources with a cost of less than two hundred fifty dollars (\$100) may, but are not required to, be recorded in AFIS.
 - 2.1.1. IT resources, when they hold or have the capacity for holding data, must be safeguarded and controlled by the agency, to wit:
 - 2.1.1.1. A record of the existence and issuance must be kept.
 - 2.1.1.2. Any data they contain must be irretrievably destroyed (not merely erased) before these resources are disposed of.

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- 2.2. Agencies to whom an exception has been granted must maintain a system capable of recording and reporting upon the required information.
- 2.3. In such cases, an agency's:
 - 2.3.1. Capital asset information must be provided to the GAO as prescribed in the GAO Closing Package.
 - 2.3.2. Stewardship resource information must be available and provided to the GAO upon its request.
3. Stewardship resources, since they have not met their capitalization threshold and though they are entered into AFIS, should not be depreciation or amortized.
4. The information to be retained with respect to capital assets and stewardship resources includes, but is not limited to:
 - 4.1. Property identification numbers (property tag number, serial number, parcel number, license number, or other number specifically identifying the item).
 - 4.2. Description (model number, size, color, version, component type, program tile, etc.).
 - 4.3. Location (address, building, floor, room, parcel number, cabinet, etc.).
 - 4.4. Method of acquisition (purchase, donation, escheat, internal generation, etc.).
 - 4.5. Source of funding (the fund or funds that financed the asset).
 - 4.6. Acquisition date (month and year acquired or, in the case of constructed or developed resources, the date placed into service).
 - 4.7. Purchase document number (purchase order, claim number, bid number, or any other number that can be used to identify the resource).
 - 4.8. Cost (as applicable, the actual or estimated historical cost, development or construction cost, or fair market value).
5. Purchases of capital assets or stewardship resources should be entered into AFIS within five (5) working days from the date of issuing the payment for the capital asset or stewardship resource or, in the case of internally generated intangible assets or the completion of a construction project, within five (5) working days of its being placed into service.
6. Capital assets and stewardship resources that have been disposed of should be recorded as disposed of in AFIS within five (5) working days from the date of disposal.

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7. A property identification system must be used to provide physical control of capital assets and stewardship resources and to identify them if lost, stolen or destroyed.
8. To the extent practicable, all tangible capital assets and stewardship resources must have a property tag bearing a property identification number affixed.
 - 8.1. Any capital asset or stewardship resource that cannot be physically tagged should be assigned a property number and the property tag placed on the documentation supporting its identification and acquisition. Documentation should contain sufficient information to unambiguously identify the capital asset or stewardship resource to which it relates.
 - 8.2. Tags should identify assets or resources as property of the State of Arizona.
 - 8.3. A desktop personal computer system is one that is intended for stationary operation. It consists of a number of separate, often interchangeable, external components including the CPU unit, monitor, cords, keyboard and mouse, as well as internal components such as the motherboard, CD drives and memory chips. Of these components, the CPU unit and the monitor should be individually tagged. The keyboard, mouse, cords and internal components need not be tagged.
 - 8.4. A laptop computer consists of a number of integrated external components including the CPU unit, monitor, keyboard, cords, a pointing device, as well as internal components such as the motherboard, CD drives and memory chips. A portable personal computer system should be tagged as a single unit. Cords and external mice need not be tagged.
 - 8.5. Central and integrating components of LANs, WANs and similar systems of interconnected computer circuitry such as servers, routers and bridges with an aggregate cost of \$5,000 should be tagged. If the components are purchased as a single unit, it may be tagged as a single unit. If the components are purchased separately, each component should be tagged separately.
 - 8.6. Cellular telephones, electronic smart devices, and similar portable digital and voice communication equipment should be tagged.
 - 8.7. Audio-visual equipment, such as, camcorders, DVD players, televisions and projectors should be tagged.
 - 8.8. State-approved thumb drives, memory sticks, should be tagged, not as a matter of value, but in order to make sure that only
9. A complete physical inventory of all capital assets and stewardship resources must be taken every year and reconciled to agency records and, if applicable, to the information entered into AFIS.

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10. All cost documentation, such as vendor invoices, claims, requisitions, purchase orders, packing slips and receiving reports that support the information related to the acquisition or disposal of capital assets or stewardship resources must be retained in a method consistent with the directives published by SLAPR.
11. At the end of the fiscal year, all agencies must reconcile the total cost of capital asset acquisitions made during the year to the total expenditures recorded in AFIS as capital outlays. The required reconciliation must be submitted to the GAO as part of the agency's closing package.
12. As discussed elsewhere in SAAM, individual items within a group of assets may not need to be capitalized. However, such items may individually or collectively represent a significant investment of State resources. Agencies are to employ measures to safeguard items within a group of assets commensurate with the value of the assets and the risk of loss.
13. Controlled substances subject to the rules promulgated by any administrative, legal, pharmaceutical or medical authority with jurisdiction.
14. Though not stewardship resources, items in the possession of though not owned by the State impose a duty of care and protection upon their custodians since their loss or destruction may result in damage to the State's finances or reputation.